DOCUMENT RESUME

ED 373 445 EA 026 057

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TITLE	Locating U.S. and English Schools in the Context of Organizational Autonomy.
PUB DATE	Apr 94
NOTE	24p.; Paper presented at the Annual Meeting of the American Educational Research Association (New Orleans, LA, April 4-8, 1994).
PUB TYPE	Speeches/Conference Papers (150) -- Reports - Research/Technical (143)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Administrator Role; *Decentralization; *Decision Making; Educational Change; Elementary Secondary Education; Foreign Countries; Institutional Autonomy; *Organizational Change; Organizational Climate; Principals; *School Based Management
IDENTIFIERS	*United Kingdom

ABSTRACT

There are many forms of school decentralization within and among countries. This paper presents findings of a study that compared decentralization efforts in England and the United States to identify changes that have been made in school-management structures and the effect of these changes on school operation. Data were derived from: (1) interviews with 60 school heads who have been identified as "successful"--30 in the United States and 30 in the United Kingdom--and who were fairly equally distributed among the public, private nonprofit, and private for-profit economic sectors; and (2) analysis of school documents. Specifically, the study categorized school heads' management decisions to place schools on a continuum of organizational autonomy. Findings indicate that American public school heads, even those extensively involved in school-based management, appear to operate with less autonomy than their counterparts in the other types of schools studied. Sector location provides partial explanatory power for location on the continuum from autonomy to dependence. Publicly financed English schools, for example, appear to act more like nonprofit schools than like publicly financed U.S. schools. At the other extreme, for-profit school heads appear to have relatively large amounts of autonomy, but they also face greater personal risks. (LMI)

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ED 373 445

Preliminary discussion draft: Comments and suggestions welcomed. Please do not cite or quote.

Locating U.S. and English Schools in the Context of Organizational Autonomy

American Education Research Association
New Orleans, LA
April 6, 1994

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INTRODUCTION

Throughout many parts of the world educators are promoting the benefits of significantly increased autonomy for educators who work in local schools. These arguments for increased autonomy in schools are echoes and modifications of similar arguments directed at all but the very smallest organizations in society.[1] "Get the decisions about how to run the firm down to the people who know best what needs to be done." Current arguments about changes in school governance and management all aim in this one direction, although they travel under a variety of names - "local management of schools," "school-based management," "shared decision-making," "self-managing schools," "self-determining schools," "locally autonomous schools," "devolution," and "restructured schools." Regardless of the specific label applied, the terms are meant to describe "a school in a system of education where there has been significant and consistent decentralization to the school level of authority to make decisions related to the allocation of resources." (emphasis added)[2]

The justifications for this move are several and persuasive in their logic, at least if the premises are accepted.[2] The political justification for decentralization - the argument that the closer government is to "the people" the more likely it is to be responsive to their demands and interests - assumes the worthiness of people getting what they want for themselves from government. The economic arguments for decentralization - that decentralized units foster necessary competition in sheltered monopolies and are more likely to produce offerings in line with the preferences ("needs" and "desires") of local, more homogeneous, groups of consumers/citizens - add efficiency and effectiveness to the other worthy goal of public sector responsiveness.[3] Thomas makes the point that decentralized unit managers are better able to make choices to maximize efficiency because:

The unit managers are (i) closer to the clients and (ii) better able than more remotely sited managers to identify the needs of the clients. In addition unit managers (iii) will give primacy to satisfying these needs; and (iv) will also know the best, i. e., most efficient, way of combining available resources to meet as many of these needs as possible. Finally, in making decisions on resource combinations the unit managers will vary the proportion of different resources as (v) production requirements and (vi) relative prices change.[4]

Structural changes in the management and governance of publicly funded schools are being implemented, in a variety of forms and through a variety of means, in order to yield the benefits of improved education for the children being served by those schools. Indeed, the promise of increased autonomy for schools has been widely heralded. With restructured (increasingly autonomous) schools we should expect to see, among other things, "increased involvement and interest of all with a stake in a school - parents, teachers, principal, and students,"[4] increased knowledge by the community of school activities,[5] cost savings of "up to 2 or 3 percent of a school district's budget,"[6] greater variety of curricular offerings,[7] and, perhaps most important, increased student achievement.[8] Each of these and other specific promises addresses one or more of three broad categories of proposed benefits: increased flexibility, improved accountability, and enhanced productivity.[9] Other positive changes

associated with increased school autonomy but less directly associated with school effectiveness are also suggested including fostering democracy[10] and striking a blow against "bureaucracy" whose "whole value structure must been seen as irrelevant at best, and obstructive at worst, to true learning relationships."[11]

These propositions about the improvements of increased school autonomy are part of similar propositions about the benefits of decentralization in all organizations. These, again, include the benefits of increased flexibility in response to changing circumstances, enhanced effectiveness, greater rates of innovation, higher morale, greater worker commitment, and greater productivity.[12] These arguments tend to exist without qualification, without a sense of the inherent limits of the concept (if any), and without formal enumeration of any "down side" or "dark side" features.

The logic of these arguments is compelling to many, especially those who have experienced the tension between well-meaning, externally-imposed, "one-size-fits-all" regulations about how to teach and manage - regulations which have seemed to contradict the wisdom and be[illegible]dgment of the educators at a specific school. The persuasive power of these arguments is broad as well as deep. Versions of this issue are being discussed throughout many parts of the world, and major, well-documented school decentralizing initiatives have been recorded not only in the U.S. and England, but also in France, New Zealand, Australia, Wales, and, to a lesser extent, in Canada and Mexico.[13]

Although the intensity and variety of arguments for decentralization in general, as well as the scope of associated legislative activity over the last half-dozen years, is impressive and compelling, it does not seem to follow automatically (to us at least) that these arguments point to a specific set of managerial rights that should be shifted from a central office to a school site while another set remains with a higher authority. Instead, there are a variety of forms of shifts to greater school autonomy both within and among countries, and they vary from country to country, sometimes significantly. As one example, virtually all parents in England can choose the school that their child attends, whereas this is possible in only a small fraction of instances in the United States.

Because efforts at school decentralization have been underway for several years now, our interest in this study is, in part, to see what changes in schools have actually taken place: in particular, what changes have been made in schools and their districts especially as regards the management structures in the system; what changes in the operation of schools seem to flow from changes in these structures; and, although some would argue that it is too soon to tell, to try to assess the potential of these organizational changes for raising the educational performance of children.

We weave together the experiences of two countries, the United States and England because, in general terms, both are heading toward increased autonomy for schools but are doing so in ways which appear to be fundamentally different. In our attempt to understand the variety of changes within and between both countries we have sought first to gain some

sense of the shift in management rights. What **managerially** has really changed? More specifically, our goal has been to seek answers to two questions. Firstly, what decisions have, in the past, been made outside of the jurisdiction of the educators in publicly funded schools which, with increased autonomy, now reside somewhere with educators at the school site? Secondly, are these changes in managerial rights at the school level in some absolute sense "large" or "small" or significant?

Many scholars in the field have documented the changes which they have seen in schools and have juxtaposed those changes against the backdrop of previously non-decentralized schools, and we will refer often to those studies and to those changes. However, we have not felt confident that we can yet fully appreciate the significance of those changes, especially as regards the promise they hold for major improvements in school effectiveness. A fundamental dilemma exists for those who follow, worry about, and seek to improve the schooling of our children. The compelling logic of decentralizing school operations (often coupled with initiatives to centralize assessment and curriculum) has created a wave of heightened expectations for **significant** improvements in school effectiveness (student achievement). However, changes in school restructuring of various forms have been initiated and operating for as long as a decade in some instances, and (arguably) those unambiguous, broadly discernable improvements in school effectiveness have not appeared. Is it because these changes have not been given enough time to take effect? If so, then we should "stay the course" and allow the time necessary for the ship to turn. Is it because these changes have taken hold but that our estimation of their impact was in error? If this is the case, then we must rethink our current assumptions. Were we on the right track in general but either did not go far enough or somehow got the details wrong? Or were we right in all respects (including the details) but the expected changes are being overrun by larger (demographic, economic) forces? We seek to shed light on these questions by looking at the degree and kinds of managerial decision rights that have been (and could be) installed at the school site.

UNDERSTANDING INCREASED SCHOOL AUTONOMY IN THE CONTEXT OF OTHER ORGANIZATIONS

In order better to appreciate the relevance of those specific changes in schools, we have sought to place them in a broader context of management decisions and management rights in all organizations. This, for us, has meant asking two other questions. What might be the taxonomy of all major management decisions within which we might locate "traditional i.e. non-decentralized " as well as "restructured i.e. decentralized " schools? And, then, in the context of that taxonomy, are "restructured" schools in some fundamental way different from "traditional" schools, and if so, by how much?

We are using "management decisions" as a variable for placing schools on a continuum of organizational autonomy. We felt that if we could identify the major categories of managerial decisions made in organizations and then ascertain whether managers inside or above the organization had the right to make those decisions, we would have some sense of

how realistic and useful are the current arguments for, and changes in, school autonomy. At one extreme of this continuum is an organizational unit such as a division of a larger company in which, in theory, all of the major management decisions reside with the "parent organization," i.e., authorities above and/or beyond the organizational unit. At the other extreme is an organizational unit which is essentially an "autonomous business," wherein those same major management decisions sit within that organizational unit. All organizational units, including U.S. and English elementary and secondary schools, would fall somewhere within the boundaries of totally autonomous organizations at one extreme and, at the other extreme, totally "dependent" organizations.

The concept of using management decisions as a variable is a slippery one for several reasons. Variations in management decision rights may only be due to the economic sector in which the organizations are located. Management decision rights may be too interdependent to "spread out" along a scale. **Firstly, managerial decisions may be "sector bound."** Some of the decision rights which describe the autonomy of an organization are exclusively associated with one economic sector and not others. The following generalizations which characterize differences between public and private sector organizations are not uncommon:

> "Government and business are fundamentally different institutions. . . (because) . . . Business leaders are driven by the profit motive; government leaders are driven by the desire to get re-elected. Businesses earn their income when customers buy products or services of their own free will; . . . governments get most of their money from taxpayers. Businesses are usually driven by competition; governments usually use monopolies. . . public managers - unlike their private counterparts - must factor interest groups into every equation. . . . All of these factors combine to produce an environment in which public employees view risks and rewards very differently than do private employees."[14]

If sectoral differences are so inherent and so fundamental, then it may necessarily follow that the actual form and theoretical benefits of organizational autonomy may vary dramatically depending on the economic sector in which the organization is located. Publicly-funded schools are basically public sector organizations, and managers in public sector organizations exercise a fundamentally different set of rights from their colleagues working in private not-for-profit and private for-profit organizations. Certain elements of organizational behavior which may appear desirable for publicly funded schools, may be attributable to organizational structures which in current practice reside outside our concept of a public organization. Without changes in public sector organizational structures which make them in effect non-public, it may be that those public sector organizations will continue to behave in stable, if idiosyncratic, ways,[15] i.e., future behavior is heavily influenced by past behavior. (Read, "Don't expect major departures from current behavior.")

One of the most often cited hopes for school structures, for example, is that individuals at the site - employees, parents, children, the surrounding community - see themselves as "shareholders," "stakeholders," "full-partners," and so on, in the educational

enterprise. By having a greater "stake" in the school, these individuals will presumably participate with greater commitment, and schools will be more effective. At the rhetorical level this is a captivating concept, but in practice the array of implementable alternatives within what is traditionally called the public sector may be so constrained that the "real" increase in incentive-effects of the changes in public schools can be no more than minimal. Shares of an organization structured as private for-profit (PFP), on the other hand, can be acquired and traded (owned) by individuals including its customers, managers and other employees, whereas this decision right is not permitted to managers of private not-for-profit (NFP) or public (PUB) organizations.

Another of the major hopes for school restructuring has been to increase the incentives of educators at the school site to improve school effectiveness, and various bonus and site-oriented merit plans have been proposed for schools. One of the major practices in for-profit organizations for increasing incentives is employee ownership. The idea of providing incentives for the entire staff of a school may be powerful as an abstract concept, but the procedures considered and implemented to date are so modest that in order to realize the potential of site-based incentives, it would be necessary to restructure schools in much more fundamental ways.

Secondly, managerial decision rights have numerous interdependent dimensions. Regardless of the sectoral location of an organization, the full impact of decision rights is often only understood when their interdependencies are considered. A given decision right will be "different" when seen in the context of other decision rights. Consider the example of the decision right of determining changes in compensation of employees, e.g., bonuses, pay increases, wage cuts. Changes in employee compensation are inherently linked (strongly or not) to evaluations of employee performance, changes in the content of employee work, and changes in the economic circumstances of the organization. Although a given manager may have the technical right to determine changes in an employee's compensation, that decision right is severely attenuated if that manager does not also have the associated decision rights of evaluating that employee's performance and of determining (or approving) the content of work of that employee. Managerial decisions about the content of work, performance evaluation, and compensation are highly interdependent.

Judgements about a school employee's performance may rest with a manager at that school. However, consider two opposing contexts in which this might exist. In one instance, that same manager also determines the employee's pay raises and task assignments. In a second instance those two additional decision rights sit with non-school based managers. In these two different contexts, the nature of performance evaluation is "different" even though, technically, it is located at the school in each instance.

Thirdly, managerial decision rights are inherently complex. Managerial decisions that can be easily identified and are, in fact, complex webs of many smaller decisions about rights and procedures, all of which make up the "simple decision." It is the composition of these many smaller decisions that, in the end, describes how the "simple decision" is made

and how "real" it is. Indeed, the simple answer to the question "Where does the decision sit?" is so colored by a web of intimately related decisions that the answer may turn, out, in practice, to be almost the opposite of the technically correct answer.

Consider, as an example, the "simple" managerial right of who decides who is to be employed at School X. It sounds like it can be answered accurately and completely as an either/or question, i.e., either educators at School X or officials above School X decide who is to be employed in School X. Assume first that the answer is "educators at School X," but also assume that many intimately related decisions are made above School X - who decides who is eligible to be considered for work in any school, what the compensation package for employment will be for an employee in School X, what the scope of educator work will be in School X, which applicants will be sent to School X for interview, how changes in jobs and pay in School X are tied to performance in School X and so on. In this hypothetical situation, school site educators technically can choose one from among the, say, three candidates sent to them, and they have no appreciable decision rights with regards to the other intimately related decisions listed above. (There are numerous examples of this actually being the case in school-based personnel decisions.)

Now consider the opposite "simple" hypothetical answer, i.e., that the final decision rests with officials above the school level. School Y educators would (hypothetically) identify three individuals, all of whom would be acceptable to them for the position in School Y. All of the rest of the intimately related decisions were made at School Y, but the role of officials above School Y was to bring their own preferences to bear on the final selection of the person. Officials above School Y would, technically, make the final decision. (Variations on this example are often found in the selection of faculty, deans, and presidents in higher education.) The context of the "simple" decision in this example can vary so significantly that it is possible to imagine greater autonomy at School Y when the "final staffing" decision is centralized than when the final staffing decision made at School X.

Fourthly, management decisions are owned and can be delegated via a wide variety of relationships. There is more to delegation than delegation! Stated another way, we tend to think of delegation as taking place when a manager "above" an organization says to a manager "in" an organization, "You have the authority, subject to various constraints, to decide about (fill in the blank)." While this is perhaps the most commonly understood sense of the term delegation, there are a variety of alternative forms of this relationship between the manager "above" and the manager "in".

These alternative relationships may be formal, looking like, for example, a contract, or a franchise, or joint venture relationship.[16] School custodial services may be contracted to a private company instead of using school (district) employees. School district administrators who manage adult education programs may be allowed to spend as much as they wish, provided that they earn 120% of what they spend, and so on. These alternative relationships may be more informal and nebulous involving relationships such as bartering, referral processes, and bonus or commission arrangements.[17]

Consider, for example, the relationship between a school and its food service operation. To say that decisions about the lunch operation in a school are delegated to the school may be insufficiently descriptive. In addition to having the autonomy to arrange feeding their children as they see fit, the school may also have the right to deploy the food service staff and physical assets beyond feeding children. At one school in Kent, the school's food service operation is permitted to operate as well as commercial catering operation in order to raise money for school books. This informal joint venture relationship implies greater autonomy to deploy assets on behalf of the school than merely deciding how best to serve meals to children.

We more often think of these categories of relationships as characterizing inter-organizational arrangements, i.e., ways in which one organization produces its goods or services through a relationship with another organization. We sometimes tend not to think of, for example, contracting as a suitable relationship for management among subunits of a single organization. Yet, upon reflection, it is clear to us that such arrangements are very often employed within an organization. To do so assumes that hierarchies within an organization and markets among organizations are substitutes for each other. Certain circumstances and conditions affect the relative merits of each for a given relationship. This is not a new idea, and has for some time provided a basis for understanding organizations.[18] A school may be thought of as a subunit of a school district (LEA). It may be also thought of as a separate organization which has many relationships with other organizations, including the nearby district/LEA office.

These "problems" with thinking about a taxonomy of specific types of managerial decisions are really reasons to seek to pursue it. If organizational autonomy is so largely shaped by sector location, then the debate about school autonomy should shift to include more consideration of alternatives to public sector schools. If managerial decision rights have numerous interdependencies, then it would be useful to understand, through a taxonomy, which types of management decisions are mutually dependent. If managerial decision rights are complex and made up of many small decisions, then "the devil may be in the details, i.e., the devil of successful school reform may be in the details of clusters of small decisions, not in the generalities and abstractions about school autonomy. Finally, if decisions can be delegated via a variety of mechanisms, then the form as well as the content of school based decision rights may determine the impact of school autonomy.

So, even (or especially) in the face of these confounding circumstances, we think it helpful to attempt to identify the range of possible management decisions that can be decentralized, if only because so much has been claimed for the benefits of increased autonomy in general. What are the natural limits to that logic, and what special circumstances, if any, refine or actually refute that logic?

MANAGERIAL DECISIONS: A TAXONOMY

Items to be considered in the comparative analysis are those which vary in terms of whether they are made by the larger organization for the unit or whether they are made within the organizational unit itself. Although there are a wide variety of such decisions, we think that they cluster around five broad issues which an autonomous organization would have to confront: 1) decisions about the business to be in; 2)decisions about how to organize and operate the production process or service delivery of the organization; 3) decisions about the kinds of labor to employ and how that labor is compensated; 4) decisions about the customers or clients to be served; and 5) decisions about the categories of revenues to pursue in order to operate the business.

These "decisions" are really large bundles of many, more specific decisions, which themselves are complex and interdependent. It is difficult to separate, for example, people who make decisions about growing and shrinking a business from people who have the authority to raise revenues for the business. However, we believe that this five part taxonomy is a useful analytical approach and we now propose to examine each part in turn.

Decisions about the business to be in. Decisions about the business to be in start with determining the basic mission of the organization? Who sets the overall mission of the organization? Who can change it? Who can decide to go out of business? Who (if anyone) assumes the risk of the failure of the organization and captures the residual benefits of success (if any)? Who has the right to redeploy financial tangible assets as a consequence of changes in the mission of the organization, including acquiring and disposing of assets?

Who creates the mission for a new organization, and, for existing organizations, who identifies, focuses, clarifies, and modifies the mission? Mission closely relates to market niche. Market niche is the "client side" of mission in that market niche defines the mission in terms of the people served and often how they are to be served. All organizations can be described by what they choose to do (and for whom). Apple Inc., focuses on personal computing needs, ARCO focuses on self-service, low priced, gasoline, and Hyatt focuses on the business traveller, because top managements in those organizations have made decisions about missions and the connection to market niches.

Examples abound among schools as well. The Rossier School in Southern California focuses on high quality, full service, special education programming for children ages 5 through 18. Within this niche, the school takes in only students who are referred by local school districts: it does not take private students. Ombudsman Educational Services in Illinois and Arizona, on the other hand, focuses on no-frills, technology-rich general education programming for students ages 14 through 18 are at risk of dropping out of school. Like the Rossier School, Ombudsman only takes referrals from school districts. The Edgewood School in California limits its programming to students from Grades K through 8, serving only privately funded students whose parents want a general education program which emphasizes extensive reading as well as oral and written communication. Chetham's in

Manchester takes only musically gifted students and is funded by the Local Educational Authority.

In all of these examples, the focus or mission of the school is defined in terms of (1) the students and (2) the programming emphasis. By implication, these missions imply that there are services and students that are NOT important for the school. Schools with mission statements that claim to provide all students with all services are a special case of the concept of "focus." The decision to adopt such a mission has implications for programming and staffing just as the more focused missions of the schools listed earlier.

Closely associated with determining the focus of an organization is being able to decide which lines of business to grow and which ones to shrink. Typically in an organization, some of the discrete products/services it produces are more successful than others in the marketplace which leaves management with decisions about which products/services to emphasize in future periods and which ones to allow to diminish or to be discontinued.

By describing what the organization seeks to be particularly proficient at it is also indirectly announcing to itself and to others those lines of business (and client interests) that it will be less concerned about. The rights to determine the direction of the organization are lodged somewhere in the organization.

Decisions about how to organize and operate the production process or service delivery of the organization. Delivering educational services is the embodiment of the mission in real life. Who decides how the organization will function, including who in the organization will decide how each of the parts of the organization will function both separately and in relation to other parts? Who determines whether these separate parts fit well or need to be refashioned? Who has the authority to, for example, intensify the labor or capital component of the production process? Who can determine the degree of "self-service" in services, i.e., how much to integrate the "customer" or "client" into service delivery processes? Who has the authority over where to locate the various parts of the operation of the organization? How much leeway do individuals have in making these decisions? What are the natural boundaries? When does a change in production process become so major that the new process is really producing something different and who has the authority to decide? How much service will be provided?

In a school setting those general questions translate into specific questions of educational programming. Does the school serve children during the traditional school hours only or does it provide extended hours of service as well? To what extent and in what ways are parents encouraged (or made) to be involved in the schooling processes of their children? Are children with special needs routinely pulled from regular classes to receive individualized tutoring or is that tutoring provided in their regular classrooms? Is homework regularly assigned across all subject areas or only in "academic subjects"? For how many children will service be provided? Who decides these and other production processes?

Decisions about the kinds of labor to be employed and how that labor is compensated. Where are located the decision rights for determining the labor force which flows into the organization; who determines the qualifications of employees to be hired (i.e., who determines who is eligible to apply for a position); who determines the actual employees to be hired; who terminates employees and on what grounds? What are the specific decision rights associated with each of these questions and which managers have the authority to exercise those rights?

There is a wide range of decisions to be made around compensation, including not only benefits, salary, commissions, and bonuses, but compensation-related conditions of employment more broadly - vacation, sick leave, retirement, etc. Compensation-related conditions significantly shape the applicant pools of prospective employees in the short run and the composition and quality of the employees in the long run: who determines the compensation levels of the unit's employees; who determines the changes in merit raises; who determines the benefits components of compensation; who determines the impact on compensation of personnel in the organization when the organization succeeds beyond or falls below revenue expectations (bonuses/cuts in pay).

Decisions about the customers or clients to be served. Decisions about clients include not only the categories of people that the organization will serve, but also the proportion of people in those categories that the organization will serve (the share of client markets). There are a number of decisions about clients which may have little experience in current organizations, such as whether to induce client consumption of services voluntarily or to use legislative means to coerce client consumption of services and goods. (Automobile owners in some parts of the world, for example, are not required to consume the services of a specific emissions control inspection station, but are required to get their car inspected by some authorized inspector, all of whom in California and England, incidentally, are private for-profit enterprises.)

Beyond decisions about categories of clients, who has the authority to determine which individual clients will be served and when services to specific clients will be provided, curtailed or discontinued? Who can determine when individual clients receiving one kind of service should, instead, receive a different kind of service?

Beyond the voluntary/compulsory dimension of client relations, someone decides the price/cost relationship between service providers and service consumers. Which services will be provided at what price, and what relationships do those prices have to the costs of production of those goods/services? To what extent is the price of a service to be subsidized by third parties? Indeed, are education service providers even to be allowed to set prices, and will clients be allowed to supplement tuition charges from their own pockets if they so choose?

Decisions about the categories of revenues to pursue in order to operate the business. In addition to money which comes to the school from government by virtue of the

student being enrolled in that school, there is, theoretically a variety of revenue sources which could provide income streams for a school. Three among the major additional sources are fees from parents for schooling (private financing of school); parental fund raising, donations, covenants, and grants for projects in the school; and sales from auxiliary services, e.g., food service, infant care programs, or after school programs.

Who has the authority to raise financial resources for the organization and from whom? More generally, who provides the financial capital for the operation of the organization? Some sources of revenue are made available only for providing specified services to specified clients, and it is someone's decision to determine whether to pursue those revenues by providing those services to those clients. Who does this? What factors affect changes in the access to revenues, and what influence do which managers have over those factors?

More specifically, who can incur debt on behalf of the organization? For example, can the senior management of a school (principal, head teacher, board of governors) secure a loan to construct a new wing of the school? Who has the authority to sell assets in order to raise capital for the organization? Can, for example, senior management of a school sell off parcels of land in order to raise money for improving the physical plant? Who (if anyone) has the authority to shift income from operating accounts into interest-yielding accounts or the authority to establish endowments or covenants? Can the school people take cash out of the operating budget and invest it for possible use in future periods?

While there are a wide variety of specific management decisions which can be moved up or down in an organization, it seems to us that these five broad categories capture most of the major decisions of this type. Although it may be useful for analytical purposes to distinguish among the five clusters of management decision rights, the clusters are themselves highly interdependent, each almost defining the others. It is difficult to imagine, for example, extreme autonomy in mission direction and pursuit of financial revenues coupled with extreme dependence with regard to decisions about clients, labor, and work processes. It is also difficult to imagine extreme autonomy in organization of work processes coupled with extreme dependence with regard to decisions about employee compensation.

The issue of autonomy vs. dependence is not a discussion of how the organization is managed, e.g., "top down" vs "bottom up" management within the organization. That kind of issue, the "how" of management, can and does take place in all kinds of organizations, including those that are largely autonomous and those that are largely dependent. What we are describing here is, instead, a discussion of the basic decision rights that exist within a particular organization, regardless of how it is managed.

This is not to suggest that there is not a great contribution that can be made to improving school management by looking at how to manage schools. It is to suggest that "good management" as a concept can be separated from the concept of "what managers have which decision rights?" In fact, to focus only on how well one manages without considering

the decision rights of managers is, we think, to miss much of what can be done to improve schools.

What we now want to do is describe the extreme "right-hand-side" of the continuum, i.e., the organization which has the highest degree of autonomy with respect to major management decision rights. Following that we contrast that with the extreme "left-hand-side" of the continuum, the totally dependent organization. Finally, we discuss how each of these pure types interacts with the external environment.

DECISIONS IN "AUTONOMOUS" AND "DEPENDENT" ORGANIZATIONS

Top management of an autonomous organization determines the business it is in, when to modify the business it is in, and when to get out of that business. They make decisions about how to organize, how to produce its goods/services. They organize and reorganize themselves whenever they see fit, and determines both the categories of labor it wish to hire (by skill, degree, certificate, experience, etc.) as well as the individuals within those categories. Of course, they design and implement the services they provide and determine the wide range of "conditions of labor" that they employ, including the nature of job security, compensation, benefits, bonuses, non-monetary incentives, the physical amenities surrounding labor.

They not only determines the market in which they seeks to sell, they are free to seek the market niche and the market share that they desire. The "flip side" is also true in that top management in an autonomous organization can choose not to serve a particular category of market and choose not to serve a particular customer ("no shoes, no shirt, no service").

Closely associated with markets for its services (but not identical) are decisions about markets for the pursuit of revenues. If the individual pays for the service then the client and financial markets are identical. If, instead, there is a third party payer, the markets are different. One form of third party payer is government, which can choose a variety of ways in which to subsidize service. It can provide money to the consumer who then finds a producer; it can provide money to the producer on behalf of the consumer once the consumer has chosen a producer; and it can provide money to the producer in a lump sum appropriation, not tying compensation to any specific client. In an autonomous organization a variety of potential financial markets are pursued or at least able to be considered.

Finally, top management of an autonomous organization can acquire and dispose of the net worth of the organization. It can decide to reinvest cash reserves in the organization and enhance its infrastructure or take those cash reserves as personal compensation and "milk" the organization. The "flip side" is also true here: the autonomous organization is "exposed" to all of the demographic, economic, and political vagaries of the external environment and can fail. It can be either liquidated or taken over by another management team. Among many examples of service producing organizations that approximate the autonomous model are

small law offices, non-chain restaurants, single-site private schools and privately-held health complexes.

In one sense, the dependent organization is merely the "opposite" of the autonomous organization. The basic mission of the organization is determined by an external body, e.g., the parent organization, and decisions about modifying the focus of the business it is in, including when to get out of the business, are not the domain of individuals in the dependent organization. The basic production processes are determined by the parent organization. Examples such as Kinko's Copiers, H & R Block Tax Services, Travel Lodge, and McDonald's Restaurants come to mind.

The categories of employees to be hired are determined outside the dependent organization, and the individuals who are hired into that organization are chosen outside the organization and assigned to it. Although supervisory and other personnel responsibilities may reside with individuals within this organization, basic decisions about compensation levels, the composition of compensation packages, and changes in compensation associated with changes in performance are made outside of that organization. Examples of organizations that approximate these practices are some branch banks, police, and fire substations.

Dependent organizations do not determine their clients or markets. Those are assigned to them either as individual clients or by geographic location. There is little if any authority within the organization about who may be excluded from service within the organization. If, by virtue of geographic location and personal characteristics a client fits within some minimum bounds of eligibility for service, he or she must be served by the organization. The capacity of the dependent organization is determined by the parent organization.

The dependent organization really does not pursue external financial resources, except through the parent organization. Because work (services/goods) and the means for production (labor/capital) are provided elsewhere, individuals within the dependent organization are not required to seek revenues by pursuing financial markets in order to sustain their organization.

Finally, individuals in the dependent organization do not have the rights to dispose of the net worth of the organization, in particular the organization's fixed assets. They cannot buy and sell pieces of the organization. The rules for the disposition of revenues are confined to an annual operating budget which is tightly controlled and monitored by the parent organization. Among the many examples of dependent organizations within the parent organization are branch banks, branch post offices, and fire stations, and U.S. public schools in multi-school districts in the United States.

Changes in the external environments of organizations have an impact upon the missions, operations, and success of all organizations, but they effect the purely autonomous and purely dependent organizations differently. Every organization is ultimately subject to external forces that affect its life. The regulatory environment can enhance or reduce its

degree of monopoly status. New rules and regulations create new compliance problems and, on occasion, new opportunities. Demographic forces can trigger major decreases or increases in the demand for its goods or services. Changes in the demand/supply relationships of labor and capital inputs can fundamentally alter the price and availability of what the organization needs to operate. Changes in the economic prosperity of the region can have effects in multiple ways.

The difference in the management of autonomous and dependent organizations is not associated with the presence or absence of these external forces. All organizations are exposed to them to some degree. Rather, it is associated with where these environmental factors hit the organization and who decides how to cope with these changes in the external environment. In autonomous organizations, management is continually scanning for changes in the environment and making decisions in response to those changes. (This is not meant to imply that all managers are equally good at managing in any kind of organization. Obviously some managers do this better than others, just like some cellists are more proficient at playing the cello than others.) In dependent organizations environmental forces are felt indirectly through the parent organization. Responses to the environment are "managed" by the parent organization, and the resulting decisions are then felt by the dependent organization. From the perspective of managers in a dependent organization, the parent organization is the environment.

APPLYING THE TAXONOMY

We are currently working with sixty "school heads," thirty each in the U.S. and the U.K. They are distributed approximately equally among the three economic sectors: public, private non-profit, and private for-profit. All school heads have been selected through a nomination process as being "successful" Data are drawn from structured interviews and analysis of working documents internal to each school. A small sample of excerpts from the interviews are presented in this paper to illustrate the process of identifying the ways in which school heads from among the three economic sectors deal with three of the five areas of decisionmaking: decisions about the business to be in; decisions about revenues and resources to pursue; and decisions about the kinds of labor to employ.

Decisions about the business to be in. Perhaps the most basic of decisions are those associated primarily with the nature of the business to be in, or more specifically the types of educational services to provide and, correspondingly, to which categories of students. U.S. public school heads in our sample tended to talk least about the special mission and focus of their school. They had virtually no choice over their assignment to the school they headed, nor to the programs located in those schools, nor to the children assigned to those schools. They had definite philosophies about how to improve their schools, but the idea that they were to create, or even move toward, a school with a more special focus or character was not part of their agenda.

U.S. public school head. "I went to [my current school] off of the promotional list, [which was] and unranked list. . . . Finally they called me. . . I got a call from [the head of high schools] who told me to call [the head of one of the regions in the district]. . . . they were going to send me to a school where they didn't think I had a chance at success. . . They [said] 'We have an assignment at . . . Junior High School and we are asking if you would like to accept that as a principal.' . . . technically you can say no once and still remain on the list. If you say no twice, you are taken off the list. . . you just never say no. . . . I [ultimately] thought 'Let's go ahead and give it a shot.' . . . [test] scores [at the school] were among the lowest in the district"

U.S. public school head. "I was lucky. I was assigned to [ ] High School. . . . The [head of the high school division] I'm sure met with others and decided that this was the best move [for me] or the move that they wanted to make. . . .[he] called me . . and said 'Congratulations, you are now principal at [ ] High School. . . . I was shocked because I had just finished a summer school stint at [another] High School.

Non-profit and for-profit school heads on both sides of the Atlantic generally viewed their role as one of identifying and carrying through a school with a defining, hence a limiting focus. Sometimes these school heads will define this focus abstractly, or in terms of the special kind of child, or even in terms of experiences in their own life that they wanted especially to replicate or to avoid. In most of the cases in our sample the non-profit and for-profit school heads held strong opinions about their schools focus, especially compared to some other schools.

U.K. non-profit school head. "My own personal belief is schools like [neighboring selective grammar school] , there is a need for those . . ., but there are a lot of unhappy kids in that school and I feel that if they come here they would still produce some very goods results from a GCSE basis but they will be happy. . . . I always feel its sad when you talk to adults and they say 'glad to get out of school, I hated it,' because if you can't be happy without the pressures of mortgage, finance, etc., then god help us if you can't be happy at school."

U.S. for-profit school head. "Our main niche we feel is in the non-sectarian [one]. We're not a church-related school, so we have no religious studies here at all. . . . We're very ethnically diverse . . . We're back-to-the-basics, very fundamentalist in academics. We stress academics first, and then sports and the arts . . . Our students are average-to above-average . . . [We stress] family values, character, morality. . . . Instead of trying to have . . . separate classes where the teachers are teaching on honesty, integrity, morality, and ethics and self-esteem, we try to have the teachers give [the students] all the materials to build that into each subject area. . . . and we are still pushing the teachers to use the McGuffy Reader."

U.S. non-profit school head. "I think the philosophy [we have always pursued] is [to be] a child centered place. . . . when I came to this school, they wore uniforms and had to weld from one classroom to another in a column of twos with their hands clasped behind their backs. And I thought, 'What does this have to do with being a child?' They should be out swinging in trees. . . . we got rid of the uniforms [and] the column of twos. . . . [as an undergraduate in college] I started learning about the disparity of wealth, not only in this country but around the globe, and it made me angry and I've stayed angry about it ever since. . . . and so part of the motivation for designing community service programs here at this school, which is a graduation requirement, is so that the kids who graduate from this school don't graduate with as myopic a view of the world as I had when I graduated from high school."

U.S. public school heads in our sample don't think of themselves as lacking the autonomy necessary to make decisions about the special focus of their school. Rather they take the students more or less as a "given" and employ a wide variety of "improvement" strategies for the school. These strategies are rather more driven by opportunities and circumstances in which they find themselves than by the niche they seek to create in that school.

Decisions About Revenues and Resources to Pursue. All school heads in our sample pursue resources vigorously, but the sources and applications of revenue vary significantly by sector. U.S. public school heads seem to pursue competitive grants and those "free goods" which may be available at the district level. U.K. publicly funded schools as well as non-profits and for-profit schools on both sides of the Atlantic most aggressively seek to maximize tuition revenue and issues associated with tuition revenue such as pricing, marketing, and financial aid. For-profit schools, in addition, pursue capital financing needs through vehicles available to commercial enterprises.

U.S. public school head. Right now I don't set salaries. . . . .I have no control over salaries of any kind. . . . We get a very small instruction material's account . . . [as a consequence] we went into the grant business. I learned about the grant business and I saw my friends, or people I know, or people I'd heard about [get grants]. I saw [two high schools] get [major foundation grants] and I said 'If they can get the money, why can't we?" . . . I had an assistant principal retire and I had another one assigned, and I sat down with [her] and asked 'Do you know anything about grants?' and she said, "A little bit.' and I put together a team of some teachers here who were good and bright, one of whom I had brought in, and they sat down and wrote [a specific] grant. And we talked about it. We talked philosophically. I didn't write the grants,s they did. . . . next year assuming we get one grant which is still a questions, and assuming the grants are funded, we will have about $600,000 in grant money. . . . [getting these grants] puts us in a whole different ball game. We're very select. . . You get clout (to get services from the district] because we're one of six in the entire district that got it, and that must mean somebody says you're doing very well. . . . [and now] when I call up [central office for materials, I can say] this is a [school that

received one of those special grants, so] stop harassing me and get me the stuff I ordered."

U.S. public school head. [on bartering for resources within the school district] [in seeking help from a nearby trade school] I said 'Can you help me by bring in a bus at 7:30 a.m., making a pick up, making [another] pickup at 10:30 a.m., making [another pick up at 12:30 p.m. and dropping off at 3:30, and every time you pick up, you drop off. So you take [our high school kids to your trade school] for two hours. So you take them for two hours, you drop off those kids, you pick up, drop off. . . . [as a consequence] some of my students can take four house of vocational training . . . welding, auto mechanics . . . it's an open enrollment. [and the head of the trade school said] 'I would like to be able to recruit some of your students into my trade school." I said, 'Sure, come on down, bring on [your recruiters].' . . . So it's all negotiating and networking and 'I'll give you this today because tomorrow I may have to come to you and ask you for something.'"

U.K. non-profit school head. "When I get parents at the [school's] drive, there is not many who . . . . don't sign [their child into the school]. . . My problem from a marketing point of view has been getting them up here. . . . The aim [of marketing in Asia] is to go out and pick up 4 or 5 Hong Kong/Chinese, 3 girls, 2 boys, fullboarders, which are worth just over L7,000 to me. Our fees are very competitive you see. If I can get the money [L1,500 to travel to Asia] I can get them here. That's L35,000 from an outlay of L1,500. . . . I don't really want to take [this student with a history of unruly behavior at other schools], because he is going to cost us a lot of time in man hours to straighten him out, . . . and I think at 13 [years of age] . . . our standards of behavior are more or less formed. [my board of governors said] 'Don't take him then, no problem!' And I said 'Well, it's an extra L7,000 on the budget. . . [they said] 'Don't worry about that.' . . . my previous school couldn't afford to do that."

U.S. for-profit school head. "I have been looking for probably the last twelve years for properties [to extend my school all the way through high school]. . . . a warehouse for moving and storage [came on the market] right next door. . . I negotiated a long-term lease with an option to purchase, and I'm definitely going to purchase it because we've spent way too much money on that building not to. . . . my intent was to finance from the profits that we had and even a little bit on next year's profit. . . . [but] we have over-shot that and now we're having to go ahead and see about some other plans. We've got some short-term guaranteed [cash] from the bank, but we're going to try something very innovative. . . We're offering a limited partnership that the school and the limited partners, who will be our parents, will form a partnership and they will be taking loans. . . . We would go ahead and offer to [the parents] that [they] could make a loan to the limited partner in $5000 increments. You could put a million dollars in it if you want. you'll put in a loan. That limited partnership would then form a [school's name] Property Holding Company. The Holding Company from

the limited partners. At this point we're looking to do $1.7 million. And with that we will purchase the building next door, pay for all the improvements,and give you a not that will be secured by the property and the improvements. So you would have hard assets [as collateral for the loan]. We will pay you [interest] . . . at [perhaps] 5% . . . . with a 12-year note, . . . and for [the first] 2 years we'll pay interest only."

All school heads pursue revenues and resources, but the U.S. public school heads, pay relatively less attention to the base operating budget over which they have little discretion or autonomy. Instead, their attention is at the margin with grants and bartered resources where they can make the greatest impact. Other school heads have greater autonomy over how to spend the entire operating budget and, correspondingly have greater responsibility over the revenues which make up the operating budget.

Decisions About the kinds of Labor to Employ. All school heads in our sample have devoted substantial attention to personnel matters. Decisions about the composition, direction, support, and productivity of the school's staff consume at least as much time as any other decision making area. All school heads (except for those that created entirely new schools) found themselves with employees at their schools, and all have become adept at working with school staff. U.S. public school heads, however, have the unique additional problem of being required to accept the transfer of employees to their school who, for various reasons, had to be reassigned from other schools.

U.S. Public School Head. ". . . . a teacher who has had a difficulty at school A and then is sent to a central office [positions] and then they are sent out to a school. I'll get a phone call. '[name], I see you have an opening in math or social studies and we are going to send you Mr. so-and-so.' 'Okay,' I say, 'tell me a little bit about him.' 'Well, he and the principal have had a difficulty. He told the principal where to get off and cursed him. . . . The principal then gave him an unsat [isfactory rating] and . . . requested that the teacher be transferred out. He's coming to you.' 'Fine,' I say. . . . I had at least five [at my previous school] who were sent to me. Of the five, three of them became outstanding teachers."

U.S. Public School Head. " . . . then I started [trying to rid the school of] some terrible teachers and I wrote them up. . . . I went through the whole process. [the union representative at my school] sat down with me and said, 'This is the first person who have ever tried to do it the right way, either making a teacher shape up and trying to offer help or . . . get[ting] rid of the teacher.' . . . I did it by the numbers and got rid of six teachers. . . . [they] left and the whole [climate of the school] changed, because [all of the staff at the school] knew they were the worst teachers in the school. So everybody saw it, and then they said, 'He really is making it; he does really care, because he is trying to help kids.' . . . [among the reasons for their poor performance] . . . lack of discipline was the most important part of it, not having any kinds of plans for kids when they walked into the classroom; kids just copying papers. You know, take out the dictionary and define these ten words. . . . [they would] keep

kids busy. [kids] do that but they don't learn anything. [they would say] 'Here's some pages of numbers. Add them up. Then subtract and multiply.' Big deal. Two of [the six teachers] left the district; one retired, and then three were transferred. One has since left and two are doing the same lousy stuff somewhere else, and the principals don't have the guts to write them up."

U.K. Non-profit School Head. ". . . . when I came [to this position] there were 4 or 5 staff who just were not going to fit in. By luck and good fortune maneuvering they have all moved on. . . . . [one] was a matron who was a disaster. . . . [Although] she was good upstairs [i.e., with the boarding functions], she was hopeless on deadlines. She cost me L250 inside the first 2 months by not getting kids up to get taxis, or to the train station for flights and the rest of it. So I gave her a formal warning the first time, a formal letter the second time and said basically 'This is about a team. We are all in it together. If I'm getting head aches from the parents, and it's costing us money, I can't defend you. You are either with us or really you ought to consider where you go in the future.' A month later she came to see me and said she felt she was a southerner and wished to go back to the London area and would be applying for jobs and she went. . . . Another chap in the department has been through a transformation. When I can he was doing very little, we had a long chat about what I expected and he, in fairness to him, said, "Right! Now I know what I am . . . . supposed to be doing, what targets you have set me and I will do it. Just tell me if there is a problem.' . . . So having given it to him, it was amazing. Within a term these kids were out every night playing, whereas before they would do one [activity] each week. Suddenly I couldn't keep pace with them. [his] teams were playing every night, sometimes playing two matches and then again on Saturday. So much better!"

U.S. Non-profit School Head. "I was hired. . . .[then] the chairman of the . . . board . . . for some reason . . . . liked me even though politically we were very different. He took me aside and said, 'Look. There are 17 teachers here. Three of them are untouchable. Look at the other 14 and decide how many you want to keep, which ones you want to let go. But the other three, leave them alone. You could get yourself into too much trouble your first year.' So I did. I didn't touch those three. And I observed the other 14 very quickly at the end of May and the beginning of June . . . and I first 14 out of 14. And I brought in 14 new teachers. . . . It was chaos for two years. . . . The [parents] who were there were furious and were pulling their kids out of school one after the other. . . . As fast as they were pulling them out, new people were saying, 'Hey! If those folks think it's bad, it must be pretty good!' So they were coming in. And for two years our life was like hell. And then I woke up practically one morning at the beginning of the third year and we had a good school. . . . . I stuck with it. . . . this tough old trustee that originally hired me . . . had the aura of Vince Lombardi. When he told people to shut up, they'd shut up. When the board wanted to fire me, [he] just said, 'No.' And that was it, end of discussion. So it saved by ass."

LOCATING U.S. AND ENGLISH SCHOOLS IN THE CONTEXT OF ORGANIZATIONAL AUTONOMY

The ultimate purpose of this study is to seek to understand here publicly-financed schools fit along the continuum from autonomous to dependent organizations - where do they fit and where should they fit? Relying on the continuum of organizational autonomy which we have constructed, we will now be seeking to ascertain the location of schools in our sample on that scale.

Although we are currently not yet far enough along to array any types of schools along the continuum with any conviction, it already appears to us that U.S. public school heads, even those which have been extensively involved in "site based management," operate with less autonomy than their counterparts in other types of schools studied. There appears to be some discernable differences among school heads which can be attributed, at least in part, to sector location. Sector location provides some explanatory power for location on the continuum from autonomy to dependence, but not entirely. Publicly financed English schools, for example, appear to act more like non-profits than like publicly financed U.S. schools. At the other extreme, for-profit school heads appear to have relatively large amounts of autonomy, but they also face greater risk personally. Our goal over the next eight months is to determine whether systemic variations in decision-making among elementary and secondary schools will emerge, and whether such variations indeed describe fundamental differences among schools, as autonomous vs. dependent.

1. Two of the most widely read and quoted recent advocates for increased autonomy in organizational subunits have been Thomas J. Peters and Robert H. Waterman Jr. Their description of eight attributes of successful organizations, including "autonomy and entrepreneurship" have provided the basis for many subsequent arguments for "restructuring" schools. (1982) **In Search of Excellence: Lessons from America's Best-Run Companies**, New York, Harper and Row, Publishers. Because virtually all of the companies they examined were structured as for-profit corporations, usually publicly traded, the possible influence of sector location on the nature of "excellence" is largely ignored.

2. Caldwell, Brian J., & Spinks, Jim M. (1992). **Leading the Self-Managing School**, London, The Falmer Press, p.4.

2. Murphy, J. (1991). **Restructuring Schools: Capturing and Assessing the Phenomena**. New York: Teachers College Press.

3. Murphy, J. ibid., p. 4.

4. Thomas (1987), get full cite from Brent.

4. Carlson, R. (1989). **Restructuring Schools**. Internal memorandum. Washington, DC Public Schools, p. 2, quoted from Murphy, J., op. cit., p. 3.

5. Clune, W.H., & White, P.A. (1988, September). **School-based management: institutional variation, implementation, and issues for further research.** New Brunswick, NJ: Center for policy Research in Education, Eagleton Institute of Politics, Rutgers University.

6. Carnoy, M., & MacDonell, J. (1990). School district restructuring in Santa Fe, New Mexico. **Educational Policy**, 4(1), 49-64.

7. Carlson, R. (1989). **Restructuring schools.** Internal memorandum. Washington, DC Public Schools, p. 3, quoted from Murphy, J., op. cit., p. 2.

8. Carlson, op. cit., p. 2, quoted from Murphy, op. cit., p. 4.

9. For a concise review of these categories of arguments see Brown, Daniel (1990). **Decentralization and School-Based Management.** London, The Falmer Press, pp. 40-45.

10. Watt, J. (1989). The devolution of power: The ideological meaning. **Journal of Educational Administration**, 27(1), 19-28.

11. Seeley, D.S. (1980, February). **The bankruptcy of service delivery.** Paper presented at the Foundation Lunch Group: panel on Children, at the Edwin Gould Foundation for Children, New York City, p. 8, quoted from Murphy, J., op. cit., p. 10.

12. Osborne, D., and Gaebler, T. (1992). **Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector**, Reading, MA, Addison-Wesley Publishing Company, Inc., pp. 252-3.

13. For a concise summary of the major decentralizing changes around much of the world see Caldwell, Brian J. (1990). School-based Decision-making and Management: International Developments. in Chapman, Judith (1990) **School-based Decision-making and Management.** London, The Falmer Press.

14. Osborne, D., and Gaebler, T. (1992). **Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector.** Reading, MA., Addison-Wesley Publishing Co., Inc., pp. 21-22.

15. Miller, Trudi C., "Chapter 9, Conclusion: A Design Science Perspective," in Miller, Trudi C. (ed.) (1984), **Public Sector Performance: A Conceptual Turning Point**, Baltimore, MD, The Johns Hopkins University Press, p.251.

16. For a relatively exhaustive analysis of the major formal relationships between two organizational entities see Savas, E.S. (1982) **Privatizing the Public Sector: How to Shrink Government**, Chatham , NJ, Chatham House Publishers, Inc., especially chapter 4, "Alternative Ways to Provide Services."

17. Osborne, D. and Gaebler, T. (1992) **Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector**, Reading, MA, Addison-Wesley Publishing Co., Inc. Appendix A, pp. 332 - 348.

18. Sometimes referred to as the "organizational failures framework," the argument is a general conceptual approach to the description of economic organization: "(1) Markets and firms are alternative instruments for completing a related set of transactions; (2) whether a set of transactions ought to be executed across markets or within a firm depends on the relative efficiency of each mode; (3) the costs of writing and executing complex contracts across a market **vary with the characteristics of the human decision makers who are involved with the transaction on the one hand, and the objective properties of the market on the other**; and (4) although the human and environmental factors that impede exchanges between firms (across a market) manifest themselves somewhat differently with the simr, the same set of factors apply to both. A symmetrical analysis of trading thus requires that we acknowledge the transactional limits of internal organization as well as the sources of market failure. Basic to such a comparative analysis is the following proposition: Just as market structure matters in assessing the efficacy of trades in the marketplace, so likewise does internal structure matter in assessing internal organization." Williamson, Oliver E. (1975), **Markets and Hierarchies: Analysis and Antitrust Implications**, New York, The Free Press, pp. 8-9.